

# **OFFERING CIRCULAR**

**CORPORATE LIMITED OFFERING  
PURSUANT TO THE EXEMPTION OF CH. 460-46A WAC**

**INVESTMENT IN SMALL BUSINESSES INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. TRANSFER OF THE STOCK OFFERED HEREIN IS RESTRICTED.**

Name of Company

Type of shares offered:

Maximum number of shares offered:

Minimum number of shares offered:

Price per share: \$

Minimum purchase:                      shares

Total proceeds: If maximum sold: \$

If minimum sold: \$

Is this offering limited to residents of Washington?

Yes

No

**THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

This Company:

Has never conducted operations.

Is in the development stage.

Is currently conducting operations.

Has shown a profit in the last fiscal year.

Other (Specify):

See question no. 2 For the risk factors that present the most substantial risks to an investor in this offering.

**THIS OFFERING CIRCULAR CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS OFFERING CIRCULAR.**

The date of this offering circular is

## **THE COMPANY**

1. Corporation name:

State and date of incorporation:

Street address of principal office:

City: State: Zip:

Company Telephone Number:

Fiscal year end:  
(month) (day)

Person(s) to contact at Company with respect to offering:

Telephone Number (if different from above):

Brief Description of the company's business:

## **RISK FACTORS**

2. List in the order of importance the factors which the Company considers to be the most substantial risks to an investor in this offering:

Note: Investors should be aware that, in addition to the above risks, the company may be subject to risks not foreseen or fully appreciated by management.

### **BUSINESS AND PROPERTIES**

3. With respect to the business of the Company and its properties:
- (a) Describe in detail what the Company does and proposes to do, including what products and services it intends to offer:
  
  
  
  
  
  
  
  
  
  
  - (b) Describe how these products or services are to be produced or provided and how and when the Company intends to carry out its activities:
  
  
  
  
  
  
  
  
  
  
  - (c) Describe the industry in which the Company is selling or expects to sell its products or services and any recognized trends within that industry. Name the company's principal competitors and state why the company believes that it can effectively compete with these and other companies:
  
  
  
  
  
  
  
  
  
  
  - (d) Describe specifically the marketing strategies the Company is employing or will employ. Describe any major existing sales contracts:
  
  
  
  
  
  
  
  
  
  
  - (e) State the number and type of the Company's present employees and the number and type of employees it anticipates it will have within the next 12 months:
  
  
  
  
  
  
  
  
  
  
  - (f) Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) of the Company. Indicate what properties the Company intends to

acquire in the immediate future, the cost of such acquisitions and the sources of financing it expects to use in obtaining these properties:

- (g) If the Company's business products or properties are subject to material government regulation, describe the potential effects upon the Company:
  - (h) State the names of any subsidiaries of the Company, their business purposes and ownership:
  - (i) Summarize the development of the Company (including any material mergers or acquisitions) during the past five years and discuss any pending or anticipated reorganization or acquisition:
4. Describe the steps management intends to take within the next 24 months to achieve, maintain, or improve profitability. Indicate the probable timing of those steps. Describe the consequences to the company if the steps are not completed as scheduled:

#### **OFFERING PRICE FACTORS**

5. (a) The price of the securities in this offering has been arbitrarily determined:
- |     |    |
|-----|----|
| Yes | No |
|-----|----|
- (b) If the answer to 5(a) is no, explain the basis on which the price of the securities was determined:

Investors may find the information in questions 6 and 7 relevant in evaluating the price at which the stock is being offered.

6. (a) What were net, after-tax earnings last year? (If losses, show in parenthesis.)

Total: \$

Per share based on number of shares outstanding before the offering: \$

Per share based upon number of shares outstanding after this offering if all securities sold and all outstanding options are exercised: \$

- (b) What percentage of the outstanding shares of the Company will the investors in this offering have? (Assume exercise of options, warrants or rights and conversion of convertible securities.)

If the maximum is sold: %

If the minimum is sold: %

7. (a) State the dates on which the Company sold or otherwise issued securities during the last 12 months, the amount of such securities sold, the number of persons to whom they were sold, any relationship of such persons to the Company at the time of sale, the price at which they were sold and, if not sold for cash, a concise description of the consideration:

- (b) Have securities (including those described in 7(a)) or options to purchase securities been sold to officers, directors, or promoters of the company at a substantially lower price than the present offering price?

Yes      No      See answers to questions 28 and 29.

- (c) Show dilution to shareholders in the present offering:

(i) Net tangible book value per share before offering is: \$

(ii) Net tangible book value per share after the minimum offering will be: \$

(iii) Net tangible book value per share after the maximum offering will be: \$

- (iv) Amount of increase in net tangible book value per share as a result of receipt of cash from purchasers in this offering will be \$ \_\_\_\_\_ at the minimum result offering and \$ \_\_\_\_\_ at the maximum offering.
- (v) For each share purchased in this offering a purchaser will pay \$ \_\_\_\_\_ but will receive a share representing only \$ \_\_\_\_\_ in net tangible book value (if the minimum offering is achieved) or \$ \_\_\_\_\_ (if the maximum offering is achieved). The difference between the amount a purchaser pays for a share and the amount of net tangible book value that share represents is the dilution to the purchaser. At the minimum offering, dilution per share will be \$ \_\_\_\_\_ ; at the maximum offering dilution per share will be \$ \_\_\_\_\_ .

### USE OF PROCEEDS

8.

	<u>If Minimum Sold</u>		<u>If Maximum Sold</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Total Proceeds:		100%		100%
Less: Offering Expenses				
Legal & Accounting				
Copying & Advertising				
Other (Specify)				
Net Proceeds from Offering		<u>100%</u>		<u>100%</u>
Use of Net Proceeds:				
Total Use of Net Proceeds	==	<u>100%</u>	==	<u>100%</u>



9. Describe any significant transactions in which proceeds of the offering are to be used:
  
10. Indicate whether the Company is having any cash flow or liquidity problems and whether or not it is in default of any obligation of the Company to make payments. Indicate the Company's plans to resolve any such problems:
  
11. If the Company anticipates any cash flow problems, including the insufficiency of the proceeds of the offering to satisfy the Company's cash requirements, in the next 12 months, state the source and use of additional funds, if any, the company intends to obtain to meet its needs:

### **DEBT**

12. Indicate the debt of the Company as of the most recent practicable date and as adjusted to reflect any repayment of debt to be made with the proceeds of this offering:

<u>Amount Outstanding</u>			
Debt:	As of:	<u>As Adjusted</u>	
		<u>Minimum</u>	<u>Maximum</u>
Short-term debt (average interest rate _____ %)	_____	_____	_____
Long-term debt (average interest rate _____ %)	_____	_____	_____
Total Debt	=====	=====	=====

### DESCRIPTION OF SECURITIES

13. These securities have:

Yes      No

Cumulative voting rights  
Other special voting rights  
Preemptive rights to purchase in new issues of shares  
Preference as to dividends or interest  
Preference upon liquidation  
Other special rights or preferences  
(specify):  
Explain:  
  
Other special characteristics of stock (specify):  
Explain:

14. Indicate any restrictions on dividends under financing arrangements or otherwise:

15. Explain the nature of any resale restrictions on the shares being offered, and when those restrictions will terminate, if this can be determined:

### PLAN FOR SELLING OFFERING

16. List the names of persons at the Company who will sell the securities offered herein:

Name:

Name:

Address:

Address:

City, State, Zip:

City, State, Zip:

Telephone No.:

Telephone No.:

17. If this offering is limited to a special group or is limited to a certain number of individuals or is subject to any other limitations, describe the limitations:
18. (a) Name, address and telephone number of independent bank, savings, or other similar depository institution acting as escrow agent if the proceeds are escrowed until minimum proceeds are raised:
- (b) Date at which funds will be returned by escrow agent if minimum proceeds are not raised: .
- (c) Will interest on proceeds during escrow period be paid to investors if the minimum offering amount is not raised and the proceeds are refunded to the investors?  
Yes No  
If yes, explain

### **DIVIDENDS, DISTRIBUTION AND REDEMPTIONS**

19. If the Company has within the last five years paid dividends, made distributions upon its stock or redeemed any securities, explain how much and when:

### **OFFICERS AND KEY PERSONNEL OF THE COMPANY**

20. Chief Executive Officer: Title:
- Name: Age:
- Street Address:
- City, State, Zip:
- Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

Also a Director of the Company                      Yes                      No

Indicate amount of time to be spent on Company matters if less than full time:

21.      Chief Operating Officer:                                              Title:

Name:                                              Age:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

Also a Director of the Company                      Yes                      No

Indicate amount of time to be spent on Company matters if less than full time:

22.      Chief Financial Officer:                                              Title:

Name:                                              Age:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

Also a Director of the Company                      Yes                      No

Indicate amount of time to be spent on Company matters if less than full time:

23. Other Key Personnel:

(A) Name:                                              Age:

Title:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

Also a Director of the Company                      Yes                      No

Indicate amount of time to be spent on Company matters if less than full time:

(B) Name:

Age:

Title:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

Also a Director of the Company

Yes

No

Indicate amount of time to be spent on Company matters if less than full time:

### **DIRECTORS OF THE COMPANY**

24. Number of Directors: . If Directors are not elected annually, or are elected under a voting trust or other arrangement, explain:

25. Information concerning any Directors not named above:

(A) Name:

Age:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

(B) Name:

Age:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

(C) Name:

Age:

Street Address:

City, State, Zip:

Telephone No.:

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities:

Education (degrees, schools, and dates):

26. (a) Have any of the Officers or Directors ever worked for or managed a company in the same business as the Company? Yes No

Explain:

- (b) Indicate whether any of the Officers or Directors have ever managed any other company in the start-up or development stage and describe the circumstances, including relevant dates:
- (c) If any of the Company's key personnel are not employees but are consultants or other independent contractors, describe their engagement by the Company:
27. If a bankruptcy or similar proceeding was filed by or against the Company or its Officers, Directors or other key personnel, or any partnership in which any of such persons was general partner within the past five years, or any corporation or business association of which any such person was an executive officer within the past five years, set forth below the name of such persons, and the nature and date of such actions:



## **PRINCIPAL STOCKHOLDERS**

28. List principal owners of the company (those owning 10% or more of any class of shares of the company) starting with the largest common stockholder.

Name:

Street Address:

City, State, Zip:

Telephone No.

Principal occupation:

Name:

Street Address:

City, State, Zip:

Telephone No.

Principal occupation:

Complete the following table including information on all principal stockholders named in the answer to this question and on all officers and directors who are stockholders.

Name	Average Price Per Share	Class/No. of Shares Now Held	% of Total	No. of Shares held after offering, if Max. Sold	% of Total
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29. Number of shares beneficially owned by Officers and Directors as a group assuming all options and convertible securities are converted:

BEFORE offering: \_\_\_\_\_ shares  
( \_\_\_\_\_ % of total outstanding)

AFTER offering:

a) Assuming minimum securities sold: \_\_\_\_\_ shares  
( \_\_\_\_\_ % of total outstanding)

b) Assuming maximum securities sold: \_\_\_\_\_ shares  
( \_\_\_\_\_ % of total outstanding)

30. Explain the nature of any resale restrictions on presently outstanding shares, and when those restrictions will terminate, if this can be determined:

#### **MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION**

31. (a) If any of the Officers, Directors, key personnel or principal stockholders are related by blood or marriage, please describe:
- (b) If the Company has made loans to or is doing business with any of its Officers, Directors, key personnel or 10% stockholders, or any of their relatives (or any entity

controlled by any of such persons) in the last two years, or proposes to do so within the future, explain:

- (c) If any of the Company's Officers, Directors, key personnel or 10% stockholders has guaranteed or co-signed any of the Company's bank debt or other obligations, including any indebtedness to be retired from the proceeds of this offering, explain and state the amounts involved:

32. (a) List all remuneration by the Company to Officers, Directors and key personnel for the last fiscal year:

	<u>Cash</u>	<u>Other</u>
Chief Executive Officer	\$	\$
Chief Financial Officer		
Chief Operating Officer		
Key Personnel:		

Others:

Total:	\$	_____	\$	_____
Directors as a group:	\$	_____	\$	_____
(number of persons )				

- (b) If remuneration is expected to change or has been unpaid in prior years, explain:

- (c) If any employment agreements exist or are contemplated, describe:

33. Presently outstanding stock purchase agreements, stock options, warrants or rights call for the issuance of        shares. State the expiration dates, exercise prices and other basic terms for these securities and describe any plans to issue further options.

### **LITIGATION**

34. Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the Company's business, financial condition, or operations, and describe effect or probable effect:

### **FEDERAL TAX ASPECTS**

35. If it is anticipated that any significant tax benefits will be available to investors in this offering, indicate their nature and amount and the material risks of their disallowance.

Name of Tax Advisor:

Address:

City, State, Zip:

Telephone No.

Note: Potential investors are encouraged to have their own personal tax consultant contact the tax advisor to review details of the tax benefits and the extent that the benefits would be available and advantageous to the particular investor.

### **MISCELLANEOUS FACTORS**

36. Describe any other material factors that will or could affect the Company or its business and include any other information necessary to make any other information in this offering circular not misleading or incomplete.

## **FINANCIAL STATEMENTS**

37. Attach financial statements for the last fiscal year and for any interim periods thereafter.

The Company does hereby agree to provide to investors in this offering for five years (or such longer period as required by law) hereafter with written financial reports as required by WAC 460-46A-165.

## **SIGNATURES**

The Chief Executive and Financial Officers of the Company and a majority of the Directors hereby certify that each has made diligent efforts to verify the material accuracy and completeness of the information herein contained. By signing this Offering Circular, the Chief Executive and Chief Financial Officers agree to make themselves, the Company's books and records, and a set of the exhibits to this Offering Circular, available to each investor prior to the time of investment, and to respond to questions and otherwise confirm the information contained herein prior to the making of any investment by such investor.

Chief Executive Officer:

Chief Financial Officer:

Directors:

Title:

Title:

Title: